

Congress of the United States
Washington, DC 20515

November 9, 2011

Mr. Craig Fugate
Administrator
Federal Emergency Management Agency
500 C Street, SW
Washington, DC 20472

Dear Administrator Fugate

Thank you for taking the time to meet with the City of Cedar Rapids officials on Thursday, October 27. We appreciate your attention to their issues and wanted to highlight two projects that continue to be of concern. Both the Sinclair site and the Water Pollution Control Facility had obligated Project Worksheets (PW), where the city expended funds and began work, only to have FEMA return and change their decisions.

At the Sinclair site, the city began debris removal after the initial award and expended \$21 million dollars before any questions were raised. One of the issues is the cost of using a local landfill to dispose of debris material, rather than hauling it more than sixty miles away. FEMA's proposed rate of \$65 per ton underestimates the amount of work necessary in the debris removal process. Relying on the out of state bidder undercuts the actual costs of debris removal. The point has been made that this is the only use of a local landfill that has been questioned in Iowa even though such local agreements are quite common. We also understand that the tipping fee which FEMA has said they will not fully reimburse is the second lowest tipping fee involved in FEMA debris removal projects in Iowa.

At the Water Pollution Control facility, FEMA personnel spent considerable time assessing the flood related damages and developing a recovery plan for the facility's incinerator. That plan was reviewed by FEMA and resulted in an obligated PW for replacement and an obligated PW for temporary repairs of the incinerator. Now, over a year later and with a limited on site visit, different FEMA staff have thrown out the recovery plan declaring that most of the damages at the facility are not flood related.

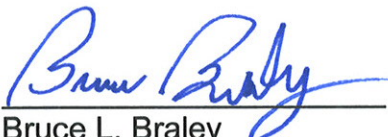
The new PWs have reduced the damage to below the 50 percent requirement thus reducing the original obligation from \$63 million to \$8 million. The city has already contracted for \$16 million worth of repairs based on the original PWs. This leaves the City with at least \$8 million of work already under contract that would not be reimbursed under the new assessment.

Three years later, the City of Cedar Rapids is still recovering from the floods and FEMA's change of position midstream is resulting in delays and possible elimination of


millions of dollars that is threatening the City's finances. The expenditures to date on these two projects equal almost 25 percent of the City's annual budget. While we understand that adjustments in projects occur, once FEMA has reviewed and obligated Project Worksheets, drastic changes such as these should happen only when gross errors are made in the initial review.

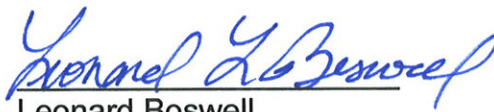
In its recommendation of the City's appeals, the State of Iowa has requested that FEMA evaluate the reasonableness of entire projects, rather than individual line items. This is a request that we applaud and wholeheartedly support. Your prompt response is appreciated and is essential for the successful recovery in the hard hit community of Cedar Rapids.

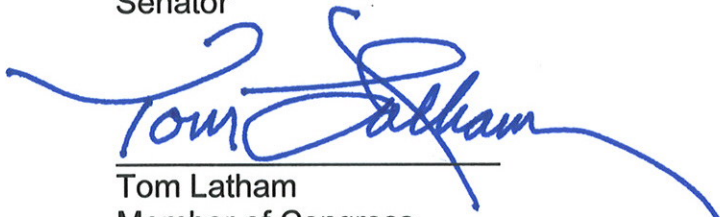
Sincerely,

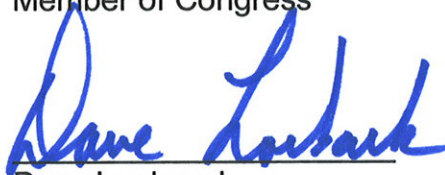

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